

1954

Aug. 20

Winfield J. Phillips, Bank Commissioner,  
State House  
Concord, New Hampshire

Dear Mr. Phillips:

In reply to your inquiry of August 13, 1954,

1. It is legal for a mutual savings bank to make a first mortgage loan on real estate located within this state and to accept as additional collateral marketable securities in amounts sufficient to produce a combined appraised value of the assets sufficient to make the loan acceptable under the formula of Revised Laws, chapter 310, sections 4, (I) and 5, (III), and provided further that separate values of the real estate and securities be initially established and the required ratio of valuation of assets in excess of the amount due thereon be maintained thereafter.

2. On a mortgage loan under the provisions of Revised Laws, chapter 310, section 4, (I), the original terms thereof are required to be maintained for so long as the original note and mortgage are held by the bank as security for repayment of the loan. Upon renegotiation or refinancing, where the loan amount will not exceed seventy per cent of the value of the real estate by which it is secured, no reason is preceived why such terms as are dictated by prudent management within the limits allowable for loans of not over 70% may not be arrived at by the bank and borrower.

Very truly yours.

George F. Nelson  
Assistant Attorney General

GFM:RP

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CONCORD, N.H.